UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

EASTSIDE HOLDINGS INC., Individually and on Behalf of All Others Similarly Situated,	:	Electronically Filed
Plaintiff,	:	
v.	:	Civil Action No.: 1:08-cv-02793 (RWS) (ECF Case)
THE BEAR STEARNS COMPANIES INC., JAMES E. CAYNE, ALAN D. SCHWARTZ, WARREN J. SPECTOR, SAMUEL L. MOLINARO, JR. and ALAN C. GREENBERG,	:	Hon. Robert W. Sweet
Defendants.	:	

(Additional Captions on the Following Page)

DECLARATION OF ANDREI V. RADO IN FURTHER SUPPORT OF THE MOTION OF THE STATE OF MICHIGAN RETIREMENT SYSTEMS FOR CONSOLIDATION OF ALL RELATED ACTIONS, APPOINTMENT AS LEAD PLAINTIFF AND APPROVAL OF SELECTION OF LEAD COUNSEL AND IN OPPOSITION TO ALL COMPETING MOTIONS

RAZILL C. BECHER, Individually and on Behalf of All Others Similarly Situated, Plaintiff, v. THE BEAR STEARNS COMPANIES INC., JAMES E. CAYNE, ALAN D. SCHWARTZ, WARREN J. SPECTOR, SAMUEL L. MOLINARO, JR. and ALAN C. GREENBERG, Defendants.	:	Electronically Filed Civil Action No.: 1:08-CV-02866 (RWS) (ECF Case) Hon. Robert W. Sweet
GREEK ORTHODOX ARCHDIOCESE FOUNDATION, by and through GEORGE KERITSIS, TRUSTEE, Individually and On Behalf of All Others Similarly Situated, Plaintiff, v. THE BEAR STEARNS COMPANIES INC., JAMES E. CAYNE, ALAN D. SCHWARTZ, WARREN J. SPECTOR, and SAMUEL L. MOLINARO, JR., Defendants.	:	Electronically Filed Civil Action No. 1:08-CV-03013 (RWS) (ECF Case) Hon. Robert W. Sweet

Andrei V. Rado declares under penalty of perjury this 5th day of June, 2008:

1. I am an attorney with the law firm of Labaton Sucharow LLP, counsel for the State Treasurer of the State of Michigan, Custodian of the Michigan Public School Employees Retirement System, State Employees' Retirement System, Michigan State Police Retirement System, and Michigan Judges Retirement System (the "State of Michigan Retirement Systems" or "SMRS"). I submit this declaration in further support of the motion of the SMRS for consolidation, appointment as lead plaintiff and for approval of selection of lead counsel.

2. Attached hereto as Exhibit 1 is a true and correct copy of a chart demonstrating the overlapping allegations between the complaints filed in *Eastside Holdings Inc. v. The Bear Stearns Cos. Inc.*, 08-cv-02973 (S.D.N.Y. filed Mar. 17, 2008) and *Greek Orthodox Archdiocese Foundation v. The Bear Stearns Cos. Inc.*, 08-cv-03013 (S.D.N.Y. filed Mar. 25, 2008).

I hereby declare under penalty of perjury that the foregoing is true and correct.

Andrei Rado

ANDREI V. RADO (AR-3724)

Exhibit 1

Similarities in Eastside Holdings & Greek Orthodox Complaints
(italics indicate identical allegations)

Eastside Holdings Complaint	**Greek Orthodox Complaint**
FRAUDULENT SCHEME AND COURSE OF BUSINESS *Defendants are liable for: (i) making false statements; or (ii) failing to disclose adverse facts known to them about Bear Stearns. Defendants' fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Bear Stearns common stock was a success, as it: (i) deceived the investing public regarding Bear Stearns' prospects and business; (ii) artificially inflated the price of Bear Stearns' common stock; and (iii) caused plaintiff and other members of the Class to purchase Bear Stearns common stock at inflated prices.* (¶ 28)	*FRAUDULENT SCHEME AND COURSE OF BUSINESS* *Defendants are liable for: (i) making false statements; or (ii) failing to disclose adverse facts known to them about Bear Stearns. Defendants' fraudulent scheme and course of business that operated as a fraud or deceit on purchasers of Bear Stearns common stock was a success, as it: (i) deceived the investing public regarding Bear Stearns' prospects and business; (ii) artificially inflated the price of Bear Stearns' common stock; and (iii) caused plaintiff and other members of the Class to purchase Bear Stearns common stock at inflated prices.* (¶ 11)
On March 13, 2008, after the market closed, news that Bear Stearns was forced to seek emergency financing from the Federal Reserve and J.P. Morgan Chase hit the market. As MarketWatch reported on March 14, 2008: *Bear Stearns Cos. Inc. went on life support Friday, forced to accept an extraordinary bailout package after being deserted by the clients and counterparties at the heart of the Wall Street firm's business.* *Triggering a sell-off throughout the financial sector, Bear shares slumped 47% to $30, their biggest one-day drop in at least two decades. Bear said the rescue consists of getting short-term financing from the Fed, through J.P.Morgan, after its liquidity "deteriorated significantly" during the past 24 hours.* * * * *Bear's crisis is the latest sign that the U.S. financial system is cracking under the weight of a global credit crunch that was sparked by last year's subprime mortgage meltdown. The Fed has slashed interest rates and central banks have injected roughly $1*	*On March 13, 2008, after the market closed, news that Bear Stearns was forced to seek emergency financing from the Federal Reserve and JPMorgan Chase hit the market. As Market Watch reported on March 14, 2008:* *Bear Stearns Cos. Inc. went on life support Friday, forced to accept an extraordinary bailout package after being deserted by the clients and counterparties at the heart of the Wall Street firm's business.* *Triggering a sell-off throughout the financial sector, Bear shares slumped 47% to $30, their biggest one-day drop in at least two decades. Bear said the rescue consists of getting short-term financing from the Fed, through JPMorgan, after its liquidity "deteriorated significantly" during the past 24 hours.* * * * *Bear's crisis is the latest sign that the U.S. financial system is cracking under the weight of a global credit crunch that was sparked by last year's subprime mortgage meltdown. The Fed has slashed interest rates and central banks have injected roughly $1*

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trillion into the banking system since then, but the crunch continues. *The Fed's decision to bail out a brokerage firm recalls other financial crises in which authorities tried to limit turmoil by propping up institutions including Penn Central, Continental Illinois, Orange County, California and hedge fund Long-Term Capital Management.* *"What is different this time is that the dominoes are falling in so many different sectors, markets, industries and countries - all at the same time and there is yet no end in sight," said Sherry Cooper, chief economist at BMO Capital Markets.* (¶¶ 12, 46)	*trillion into the banking system since then, but the crunch continues.* *The Fed's decision to bail out a brokerage firm recalls other financial crises in which authorities tried to limit turmoil by propping up institutions including Penn Central, Continental Illinois, Orange County, California and hedge fund Long-Term Capital Management.* *"What is different this time is that the dominoes are falling in so many different sectors, markets, industries and countries - all at the same time and there is yet no end in sight," said Sherry Cooper, chief economist at BMO Capital Markets.* (¶¶ 19, 23)
On this news, Bear Stearns' stock plummeted $27 to close at $30 per share - a one-day decline of 47%, on volume over 18 times the three-month average. Yet, even this drop did not represent the true devastation to Bear Stearns' shareholders. (¶¶ 13, 47)	*On this news, Bear Stearns' stock plummeted $27 to close at $30 per share - a one-day decline of 47%, on volume over 18 times the three-month average. Yet, even this drop did not represent the true devastation to Bear Stearns' shareholders.* (¶ 20)
On Sunday, March 16, 2008, it was announced that J.P. Morgan Chase was purchasing Bear Stearns for $2 per share. As The Wall Street Journal reported on March 17, 2008: *J.P Morgan Buys Bear in Fire Sale, As Fed Widens Credit to Avert Crisis Ailing Firm Sold For Just $2 a Share In U.S.-Backed Deal* *Pushed to the brink of collapse by the mortgage crisis, Bear Stearns Cos. agreed - after prodding by the federal government - to be sold to J.P. Morgan Chase & Co. for the fire-sale price of $2 a share in stock, or about $236 million.* *Bear Stearns had a stock-market value of about $3.5 billion as of Friday – and was worth $20 billion in January 2007. But the crisis of confidence that swept the firm and fueled a customer exodus in recent days left*	*On Sunday, March 16, 2008, it was announced that JPMorgan Chase was purchasing Bear Stearns for $2 per share. As The Wall Street Journal reported on March 17, 2008:* *JPMorgan Buys Bear in Fire Sale, As Fed Widens Credit to Avert Crisis Ailing Firm Sold For Just $2 a Share In U.S.-Backed Deal* *Pushed to the brink of collapse by the mortgage crisis, Bear Stearns Cos. agreed - after prodding by the federal government - to be sold to JPMorgan Chase & Co. for the fire-sale price of $2 a share in stock, or about $236 million.* *Bear Stearns had a stock-market value of about $3.5 billion as of Friday – and was worth $20 billion in January 2007. But the crisis of confidence that swept the firm and fueled a customer exodus in recent days left*

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Bear Stearns with a horrible choice: sell the firm - at any price - to a big bank willing to assume its trading obligations or file for bankruptcy. *"At the end of the day, what Bear Stearns was looking at was either taking $2 a share or going bust," said one person involved in the negotiations. "Those were the only options." To help facilitate the deal, the Federal Reserve is taking the extraordinary step of providing as much as $30 billion in financing for Bear Stearns's less-liquid assets, such as mortgage securities that the firm has been unable to sell, in what is believed to be the largest Fed advance on record to a single company. Fed officials wouldn't describe the exact financing terms or assets involved. But if those assets decline in value, the Fed would bear any loss, not J.P.Morgan.* * * * *The deal already is prompting howls of protest from Bear Stearns shareholders, since the New York company last week indicated that its book value was still close to its reported level of about $84 share at the end of the fiscal year. "Why is this better for shareholders of Bear Stearns than a Chapter 11 filing?" one Bear shareholder asked J.P. Morgan executives in a conference call last night.* * * * *James Cayne, Bear Stearns's chairman, who had been participating in a bridge tournament when the crisis unfolded, returned to New York on Saturday and participated in the negotiations, said one person familiar with the discussions.* *"We're very comfortable with what we found [in due diligence] and what we acquired, but we needed a pretty substantial cushion" from the Fed, Bill Winters, co-head of J.P. Morgan's investment bank, said in a conference call last night.* *The deal is expected to close by the end of*	*Bear Stearns with a horrible choice: sell the firm - at any price - to a big bank willing to assume its trading obligations or file for bankruptcy.* *"At the end of the day, what Bear Stearns was looking at was either taking $2 a share or going bust," said one person involved in the negotiations. "Those were the only options." To help facilitate the deal, the Federal Reserve is taking the extraordinary step of providing as much as $30 billion in financing for Bear Stearns's less-liquid assets, such as mortgage securities that the firm has been unable to sell, in what is believed to be the largest Fed advance on record to a single company. Fed officials wouldn't describe the exact financing terms or assets involved. But if those assets decline in value, the Fed would bear any loss, not JPMorgan.* * * * *The deal already is prompting howls of protest from Bear Stearns shareholders, since the New York company last week indicated that its book value was still close to its reported level of about $84 share at the end of the fiscal year. "Why is this better for shareholders of Bear Stearns than a Chapter 11 filing?" one Bear shareholder asked JPMorgan executives in a conference call last night.* * * * *James Cayne, Bear Stearns's chairman, who had been participating in a bridge tournament when the crisis unfolded, returned to New York on Saturday and participated in the negotiations, said one person familiar with the discussions.* *"We're very comfortable with what we found [in due diligence] and what we acquired, but we needed a pretty substantial cushion" from the Fed, Bill Winters, cohead of JPMorgan's investment bank, said in a conference call last night.* *The deal is expected to close by the end of*

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June, an unusually quick time frame. Federal regulators already have signed off on the deal, which will require a vote of Bear Stearns shareholders. (¶¶ 14, 48)	*June, an unusually quick time frame. Federal regulators already have signed off on the deal, which will require a vote of Bear Stearns shareholders.* (¶ 25)
By midday on Monday, March 17, 2008, Bear Stearns stock had collapsed another 85% to $4.30 per share on volume of 75 million shares. (¶ 15)	*By midday on Monday, March 17, 2008, Bear Stearns stock had collapsed another 85% to $4.30 per share on volume of 75 million shares.* (¶ 27)
As a result of defendants' false statements, Bear Stearns' stock price traded at inflated levels during the Class Period. (¶ 51)	*As a result of Defendants' false statements, Bear Stearns' stock price traded at inflated levels during the Class Period.* (¶ 28)
By misrepresenting Bear Stearns' business, *the defendants presented a misleading picture of the Company' s business and prospects. Thus, instead of truthfully disclosing during the Class Period that Bear Stearns'* business *was not as healthy as represented,* Bear Stearns *falsely conceal*ed the problems with its hedge funds. (¶ 52)	*By misrepresenting Bear Stearns'* financial condition, *the Defendants presented a misleading picture of the Company' s business and prospects. Thus, instead of truthfully disclosing during the Class Period that Bear Stearns'* financial condition *was not as healthy as represented,* the Individual Defendants permitted Bear Stearns to *falsely conceal* its liquidity crisis. (¶ 31)
These omissions caused and maintained the artificial inflation in Bear Stearns' stock price throughout the Class Period and until the truth about its future earnings was revealed to the market. (¶ 53)	*These omissions caused and maintained the artificial inflation in Bear Stearns' stock price throughout the Class Period.* (¶ 32)
On March 13, 2008, after the market closed, news of Bear Stearns' deteriorating liquidity was revealed , causing the Company's stock to plunge 47% on March 14, 2008. (¶ 56)	*On March 13, 2008, after the market closed, news of Bear Stearns' deteriorating liquidity was revealed , causing the Company's stock to plunge 47% on March 14, 2008.* (¶ 33)
Then, on March 16, 2008, the J.P. Morgan purchase of Bear Stearns for $2 per share was announced causing the stock to drop another 85%	*Then, on March 16, 2008, the JP Morgan purchase of Bear Stearns for $2 per share* (later revised due to shareholder outrage to $10.00 per

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on extremely high volume. (¶ 57)	share) *was announced causing the stock to drop another 85% on extremely high volume.* (¶ 34)
As a direct result of defendants' admissions and the public revelations regarding the truth about Bear Stearns' exposure to mortgage-related liability, its *profitability and its actual business prospects going forward, Bear Stearns' stock price* plummeted 97%, falling from $159 per share in April 2007 to $4.30 per share in March 2008, a decline of $154 per share. *This drop removed the inflation from Bear Stearns' stock price, causing real economic loss to investors who had purchased the stock at an inflated value during the Class Period.* (¶ 58)	*As a direct result of Defendants' admissions and the public revelations regarding the truth about Bear Stearns' profitability and its actual business prospects going forward , Bear Stearns' stock price* continued to plummet. *This drop removed the inflation from Bear Stearns' stock price, causing real economic loss to investors who had purchased the stock at an inflated value during the Class Period.* (¶ 35)